



## *Trade and Agriculture* **What's at Stake for New York?**

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New York produces agricultural products that are exported worldwide. In 2000, the State's cash receipts from farming totaled \$3.1 billion, and exports were estimated at \$393.3 million. These exports help boost farm prices and income, while supporting about 5,600 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are increasingly important to New York's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 13 percent in 2000.

New York's top five agricultural exports in 2000 were:

- # vegetables – \$70.7 million
- # fruits -- \$77.5 million
- # dairy products – \$54.1 million
- # feed grains and products – \$37.9 million
- # live animals and red meats – \$19.4 million

World demand is increasing, but so is competition among suppliers. If New York's farmers, ranchers, and food processors are to compete successfully for opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

### **New York Benefits From Trade Agreements**

New York is benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities for New York include:

- # As one of the nation's larger commercial apple producers, New York benefits under the U.S.-Israel Agreement on Trade in Agricultural Products as Israel expands access to its apple market from 1,600 tons (duty-free quota) in 1995 to 1,855 tons in 2001.
- # New York, ranking 12<sup>th</sup> in the nation in vegetable production, benefits under the Uruguay Round as Japan, South Korea, and Thailand lower their tariffs on sweet corn. By 2004, Thailand will reduce its tariffs on canned and frozen sweet corn to 30 and 40 percent, and Korea will reduce its tariffs on frozen sweet corn from 60 to 54 percent. Japan reduced its tariffs on frozen sweet corn from 12.5 percent in 1995 to 10.6 percent in 2000. Supported by lower tariffs, U.S. frozen sweet corn exports to Japan increased 12 percent to \$9 million from 1995 to 2000. Similarly, U.S. canned sweet corn exports to South Korea topped \$22 million in 2000, up 120 percent since 1995.

# Under the Uruguay Round agreement, the European Union reduced tariffs on wine by 20 percent, and Japan reduced its tariffs by 15 to 21.3 percent. Supported by lower tariffs, U.S. wine exports to the EU rose more than threefold from its 1995 level, reaching \$293 million in 2000. Likewise, U.S. wine exports to Japan doubled during the same period, reaching \$66 million. Under the 1989 U.S.-Canada Free Trade Agreement, Canada reduced its cost-of-service mark-up on U.S. wines. U.S. exports of wine and products to Canada rose from \$19 million in 1989 to \$104 million in 2000.